

# LYNCHBURG CITY COUNCIL

## Agenda Item Summary

MEETING DATE: **October 10, 2006**

AGENDA ITEM NO.: 16

CONSENT:

REGULAR: **X**

CLOSED SESSION:

(Confidential)

ACTION: **X**

INFORMATION:

ITEM TITLE: **U.S. Department of Transportation Small Community Air Service Grant**

RECOMMENDATION: Adopt a resolution to amend the FY 2007 Airport Projects Grant Fund budget and appropriate \$340,000, with reimbursement of \$250,000 from the Department of Transportation and \$90,000 from contributions, for expenditures associated with a U.S. Department of Transportation Small Community Air Service Grant; and authorize the City Manager to execute all necessary documents relating to this grant.

SUMMARY: In February 2006, the U.S. Department of Transportation solicited proposals from small communities for federal financial assistance under a Congressionally-authorized Small Community Air Service Development Pilot Program. Under the program, a total of \$10 million for FY 2006 was available among communities throughout the country in the form of direct financial assistance to enhance local air service through public-private partnerships.

Accordingly, in April 2006, the Lynchburg Regional Airport, with support from the Lynchburg Regional Chamber of Commerce's Air Service Development Partnership, submitted a grant proposal for \$250,000. The proposal stipulated that the grant would be used as a financial incentive to target airlines for a northern hub route. In addition to the \$250,000, the airport and community will provide a total of \$155,000 in funds and waived fees. Of the total \$405,000 incentive package, \$330,000 would be used to provide a "direct operating cost offset" for initial start up costs for new service, \$55,000 for marketing and advertising, and \$20,000 in the form of waived landing fees for six months.

On August 10, 2006, the DOT issued its order awarding grants, selecting Lynchburg Regional Airport as one of 25 participants among a total of 75 proposals received nationwide. Once the grant is executed, it is anticipated that airport and Chamber staff, along with a representative of the Air Service Development Partnership, will begin discussions with interested airlines in October 2006.

PRIOR ACTION(S):

October 3, 2006, Finance Committee

FISCAL IMPACT:

No impact to the airport operating budget. The \$155,000 local contribution will be met through a combination of \$90,000 in community-generated funds, \$45,000 through the airport's FY 2007 operating (marketing) budget and \$20,000 in waived revenue.

CONTACT(S):

Mark F. Courtney, Airport Director, 455-6089

ATTACHMENT(S): Resolution

REVIEWED BY: lkp

## RESOLUTION

BE IT RESOLVED That the FY 2007 Airport Projects Grant Fund budget is amended and \$340,000 is appropriated, with reimbursement of \$250,000 from the Department of Transportation and \$90,000 from contributions, for expenditures associated with a U.S. Department of Transportation Small Community Air Service Grant; and,

BE IT FURTHER RESOLVED That the City Manager is authorized to execute all necessary documents relating to this grant.

Introduced:

Adopted:

Certified:

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Clerk of Council

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